

REMARKS

Reconsideration of this application is respectfully requested in view of these remarks. The examiner's thoroughness in reviewing the application is recognized and appreciated.

The examiner's remarks relating to the §101 rejection have been noted. The claims have been amended to remove the basis for the rejection.

New claim 23 has been added to replace claim 1. It is believed that claim 23 clarifies the distinction over the cited references. In particular, claim 23 explicitly calls for a customer-offer score matrix, which is an association of customers and offers that was already present in the canceled claim 1, but has been made express to clarify the nature of the invention. In a nutshell the cited references, and in particular the Sridhar reference, do not disclose or suggest anything like the customer-offer score matrix. Sridhar selects customers and promotional offers according to such parameters as time, location and event, and then is interested in streaming an offer to a customer pertinent to that time, location and/or event. While Sridhar might use past purchase history to select which offers send to any one customer, there is no competition among offers and consequently no reason for a customer-offer score matrix. Sridhar has no reason to compare one customer with another in deciding to whom to send offers. Applicants' claims require a plurality of customers and by necessity involve competition amongst the plurality of customers for the plurality of offers. The use of score matrix and the method of generating the personalized offer distribution lists (claim 23 et al.) or limited numbers of offer for each of the customers distinguishes over Sridhar. Simply put, Sridhar has no need for a customer-offer score matrix and cannot utilize one in the context of their system.

To illustrate the nature of the present system, here is an example of how the system could work. While this example is directed to illustrating new claims 23 and 24, in particular, it nevertheless should make clear the nature of the other claims.

Suppose we want to make good promotional offer for certain brand of breakfast cereal, say brand X. We want to distribute this promotional offer to customers who have bought in the category of breakfast cereals in the past, regardless of whether they have bought brand X or not. For this case, the offer score is the probability that a particular

customer will purchase a product in the category of breakfast cereals. One way of setting the probability is to look at each time that particular customer has gone shopping in the past, i.e., the number of market baskets for that customer, and determine in what fraction of those market baskets the customer has bought a breakfast cereal. That could be taken as the entry in the score matrix for this particular promotional offer in this particular customer. Another way of setting the probability is to look at all customers who have ever bought a breakfast cereal, or at least, who have bought a breakfast cereal within a specified time period, say, two years. For those customers we could then determined the fraction of market baskets, i.e. shopping sessions, for which customers bought something from the category of breakfast cereals. That fraction could be taken as the score for this particular promotional offer for all customers who bought breakfast cereals. That is, the score for this offer is zero for those customers who have not bought a breakfast cereal within the last two years and is a constant non-zero value for all customers who have bought a breakfast cereal within last two years. Yet another way to set the probability is to apply a probabilistic estimator to the collected data to determine the score for each individual customer. For example, an empirical Bayesian estimator can be used, which compares the user's past behavior with the behavior of the group of all customers who have bought breakfast cereals to provide an estimated probability for customer X. The estimated probability can then be used as the score for customer X's entry for this offer in the score matrix. Yet another way to set the probability is to set an initial probability based on any of the above schemes or any other scheme and then to boost the probability by a multiplicative coefficient appropriate to the particular offer. In the example in the specification (see FIG. 10) the probability is boosted to reflect a greater tendency to buy as the price is discounted. The undersigned has not been able to find anything in the cited references that discloses or suggests the use of such a coefficient in determining how best to allot promotional offers amongst a plurality of customers.

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The undersigned asserts that the application is now in condition for allowance and action to that effect is respectfully requested. If the examiner feels that there are any lingering issues that can be resolved by telephone or feels that a telephone interview would be beneficial in any way, he is invited to call the undersigned at 510-658-9511.

Respectfully submitted,



Elliot B. Aronson

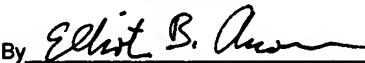
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